

INNOVATIVE ELEMENTS OF THE STRUCTURAL REFORM OF NATIONAL ECONOMY OF UKRAINE

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The areas of structural modernization of the national economy of Ukraine are viewed. The necessity of active innovation activity of domestic business entities as a basis for structural reforms in the country is based. The strategies and forms of state structural policies are viewed.

Keywords: structural policies, structural reforms, innovation activity, economic growth, government regulation of the economy.

Statement of problem. The last decades clearly demonstrate that people have entered a new epoch whose main feature is more intensive international economic integration, the process encompassing economic and political integration of countries on the basis of deep, stable interrelations formation and division of labour between national economies, their structures and regulatory mechanisms interactions. A new stage of integration processes in the world economy is now qualified by the majority of researchers as globalization – a phenomenon absolutely new in its essence.

Globalization in its essence represents the interaction of an integrated economic order, unified regulations, standards, values, common market zones. In substance, globalization acts as qualitatively new stage of internationalization development with general characteristic features of international development, on the one hand (objective reinforcement of national economies interdependence, increase of integration trends, etc.), and brand new phenomena and processes, on the other hand.

Presently, there exist strong reasons to recognize that global development has passed into its new quality. The most significant new phenomenon of modern international development is the operation of informational technologies. It is technical achievements in the sphere of information and communications technology that create completely new conditions for capital movement, its fast migration from one country to another, exchange of the results of research activities, management of financial and productive resources, etc.

Under such conditions, a system of external factors strongly influences the general character of economic development of national economies. These factors are connected with

the functioning of world economy, expansion of economic sphere of activities of national economic players, increase of informational potential of scientific and technological advance, reinforcement of the role of supranational institutions in the system of the world economic relations regulation.

At present Ukraine cannot be considered a country, which meets the demands of globalization development as its national economic system does not possess any established effective mechanisms of initiating progressive structural changes on an innovative ground. Presently a national businessman has rather weak motivation for implementing innovations; creative labour is not dominant for employees; the state as a controlling body does not promote any essential activation of innovative activity. In the final analysis, what we have is conservation of the national economy backward structure, mainly an extensive character of economic development and a considerable loss by Ukraine of its competitive positions on world markets.

Lack of radical changes towards a critical structural renovation of public production only means assignment of Ukraine as a "world periphery" and supplier of raw materials and semi-finished products to the world market. Therefore, an urgent necessity of structural change of the Ukrainian economy and establishment of the principles of modern economic growth is an obvious and indisputable fact of maintenance of its economic independence.

Analysis of recent papers. It should be noted that the range of problems of structural modernization and of a corresponding national structural policy is not new for the national economic thought. For instance, in the works by Yu. Bazhal [1], V. Heiets [2], A. Chukhno

[3] and other Ukrainian economists, the issues of structural disproportions in the domestic economy and conditions of its structure conformity to the demands of the current stage of the global economy development are considered, the mechanisms of the state's economic policy aimed at making progressive structural changes are analysed. However, the present situation in the economy of Ukraine proves that this range of problems will remain one of the most urgent in the economic science in future and many of its aspects will require further study.

Aim of the paper. The goal of this article is analysing the innovation directions of the structural policy of Ukraine aimed at strengthening the competitive positions of the domestic economy under conditions of the world economy globalization.

Materials and methods. Global economic development is determined by combination of two contradictory tendencies: subordination to the world economic interests of transnational capital, on the one hand, and competitiveness of national systems, on the other hand. These trends interlace creating in every country a special type of combination of external and internal factors, which determine a specific character of development of certain national economies.

Some countries form the «core» of the world economic system where intellectual, scientific and technical, and financial potential of the world economy is concentrated. Other countries outside the core of the world economic system form a kind of periphery forced to pay intellectual rent in the form of imported high-tech products and services with natural resources in the form of exported raw material and low-tech products.

Unfortunately, the present state of affairs in the national economy of Ukraine shows that its domestic economic system is actually not only outside the world elite of developed countries, but also getting farther and farther away from it. It is evident if we analyse the quality of Ukraine's economic development through examination of the industrial production structure and technological base of final product release. In other words, economic growth recently observed in the national economy occurred against the background of unde-

veloped production structure.

It should be stated that the dynamics of the Ukrainian economy structure does not meet the general regularities of the structural changes, which take place at the current stage in the developed countries of the world and become apparent in an increase of the share of hi-tech productions of manufacturing industry, telecommunication, financial and business services, socially oriented lines of economic activity, advance development of science intensive and hi-tech industries. But in Ukraine the established economy structure is inefficient, with the production resource- and power-intensity being high, extractive industry developing in an excessively extensive way, agroindustrial sector being backward, level of innovative production being low, infrastructure developing with a lag, financial sector not being in line with the real economy and the sectors, which provide social development, functioning inefficiently [4, p. 11].

As practice shows, recent increase of total output in Ukraine was mostly the result of extensive production. In domestic economy production investments into basic capital was mostly for the third production structure (83%), and the forth was only 10%. Taking into account that in order to presently guarantee intensive development most investments should be directed to the fifth and sixth production structures. Consequently, high technologies take only 0.1% of Ukrainian market while in Germany this figure is 16%, in Japan – 30% and in the USA – 40% [5, p.16].

This production structure remained a disappointment even after including national economy into the world economy. For example, accounting for production component of foreign investments into Ukrainian economy we can state that it was the third production structure that was mostly ploughed into with around 49%. The part of foreign innovation investments into the middle technologies sector was 27%, while into high technologies complex there were only 11% of all investments [6, p.15].

As a result, still undeveloped production structure has got much worse after reformation, as we presently see, and has become one of the most dangerous tendencies in Ukrainian economy. Thus, during the 1990s, specific weight

of relict (the first of second production structures based on pre-industrial technologies) and traditional third production structures of our economy has grown by 48%, while specific weight of the fifth and sixth structures has fallen by 30% (in industry structure the parts of these structures make 4.71 and 0.04% respectively) [7, p.59].

The absence of drastic technological modernization of social production means that Ukraine's role of the «world periphery», supplier of raw materials and half-finished products to the world market still persists. The possibility of coming out of this situation depends to a large extent on investment capacities of the economy, and first of all, on the possibilities of investing into technological development. It is certain that in a macroeconomic aspect the improvement of production and technology is one of the main driving forces of changes in the structure of national economy in general.

That is why investment and structural policies cannot be regarded separately, as the content of structural policy determines the goals of economic system movement, while investment policy determines the achievements and at the same time the possibilities of achieving these goals. Undoubtedly, structural changes are possible under different factors, though the present situation shows that structural changes corresponding to the most modern trends of economic development can be done thanks to innovations.

Nevertheless, contrasting with worldwide economic practice, the investments into innovations are not observed in the conditions of Ukrainian economic system. We believe that corresponding state economic policy also added to the processes of technological degradation.

Certainly, there have been many objective reasons considerably reducing the state's possibilities of regulating structural improvements in national economy, but still some obvious mistakes in tactics and strategies of economic reforms were observed. One of the main mistakes, in our opinion, is of a conceptual character – it is an overestimation of the possibilities of self-regulation mechanisms to solve the problems of structural economic development; unreasonable removal of state from branch and reproductive ratios management (especially the ratio between funds of reim-

bursement, accumulation and consumption of gross domestic product), and from direction of investment flows into national economic system, as well as factual suspension of state's support to fundamental and applied research.

Actually, the main responsibility for research and development in developed countries is borne by private businesses, though we should keep in mind a different level of development of market environment in these countries, in particular, the potential of their infrastructure to invest into innovations. Moreover, in the countries of core global economy there are processes of state mechanisms reformation guaranteeing implementation of cutting edge technological achievements not without the complicating of management structures of these processes.

In other words, liberalization reduced the scale of direct state interference into economic processes, though, as practice shows, the role of the state has not been weakened, there were only some changes in the priorities and interference mechanisms. In this respect, from a methodological viewpoint it is reasonable to consider the correlation between particular mechanisms of state regulation and market mechanisms of self-regulation of innovation development of national economy. It is well-known that if the market cannot guarantee the best functioning of economy, then market self-regulation must be supplemented by different forms of state regulation. On the contrary, if there is an inefficiency of state regulation based on direct interference into economic development, then it is necessary to use more flexible, i.e., indirect forms of state regulation.

Innovation specialists as well as the practice prove the impossibility of self-regulating market mechanisms to solve in full the problem of investments into innovative projects. The following reasons are provided to confirm the necessity of the state influence on innovation-investment processes:

1. Separate economic players cannot concentrate the means necessary for large-scale innovations. It is caused by the ever increasing capital intensity of production, distribution and implementation of innovations. Sophistication of scientific cognition makes Research and Development ever more expensive.

2. Many innovations can become eco-

nomically efficient only on a scale of implementation exceeding certain critical minimum and at the presence of sufficiently capacious market, which is connected with R&D costs and increase of conditionally fixed costs. It is especially characteristic of industries with low velocity of turnover.

3. Isolated implementation of innovations leads to substantial losses both for separate firms and for the economy in general. Besides, excessive independence of economic players can cause discrepancy of different elements of production string, which is presently connected with considerable economic costs.

4. There is a totally unprofitable innovation activity, which cannot be realized on commercial terms. This includes fundamental scientific research whose results cannot be commercialized. It should be noted that the very possibility of existence of most innovations depends exactly on this fundamental research.

5. In the majority of cases innovation projects are characterized by uncertainty of results. Thus, for entrepreneurs to prefer an innovative project to a less risky alternative investment it is necessary to provide additional stimuli or guarantees of complete or partial compensation of costs in case of failure.

6. High cost of innovative products and services makes them too expensive for a mass consumer. Absence of external support of effective demand for innovative products can inhibit and even stop the increase of innovations, which are very important for economic development in general.

Accounting for these objective reasons, the regulatory mechanisms of innovative-investment sphere of developed countries include branched system of different methods of state influence on innovative activity of entities in a market economy. If we examine the world practice of state support of innovative activity, there are distinguished state strategies of active interferences, decentralized regulation and mixed strategies.

The strategy of active interferences is the strategy when the state accepts scientific, technical and innovative activities as the main factors of national economic growth. This strategy foresees essential support of innovative national processes at legislative level and in the

state's foreign policy. There are close relations between public authorities, science and industry, which act together within the framework of international competition, for example, Japan, France, the Netherlands and other countries use this strategy. The state accomplishes not only the coordination of innovative processes but also plays an active part in organizing, financing, controlling and supporting these processes in different ways.

The strategy of decentralized regulation supposes the absence of hard directive relations in the innovative sphere between the state and innovative enterprises and organizations but herewith the state maintains a significant position in the innovative sphere. In such countries as the USA, Great Britain and other, adherents of this strategy innovative activity is realized firstly by economic players, whereas the state aims at creating maximally appropriate financial, credit, tax, legislative and other conditions.

Mixed strategy is applied by countries (for example, Sweden) with significantly influential and large state sector whose leaders seek to keep up high export potential of the state sector. Under mixed strategy, a government uses the strategy of active interference with state enterprises and strategy of decentralized regulation of private enterprises.

We believe that the level of country's development, its economic position and the potential of scientific innovative sphere are significant conditions of possibility of applying a given strategy of state regulation of innovative sphere. In developed countries self-regulatory market mechanisms are able to activate innovative development of economy, while economic players implement this strategy, and state's influence on the innovative investment sphere is generally based on indirect methods of regulation. If market self-regulation potential cannot manage the task of innovative economic structure renovation in full, state regulation should be more active and include methods of direct regulation.

Analysing the position of Ukrainian economic development, it is necessary to notice that transformational period of its development has not been finished yet, therefore, effective and self-sufficient mechanisms of its market self-regulation are not formed to a sufficient extent. That is why in the conditions of domes-

tic economic practice it is necessary to activate the state's role in regulation of social-economic growth, in particular, the stimulation of innovative activity of economic players.

We believe that the basis of today's crisis management and the further innovative development of domestic economy is the use of such form of structural policy, under which the government creates the structure of industry, stimulates fundamental research, technical progress and education. In the perspective of formation of such a structural policy, it is necessary to pay attention to the following matters.

Conclusion. Firstly, technological improvements cannot objectively be equal in all branches of economy. Thus it is necessary to determine national priorities of scientific and technological development («key technologies») the use of which will guarantee the spread of new production structure in the economic system on a national scale, and it is as well necessary to stimulate the changes in economy structure in general with the mechanism of positive reactions.

There are three main groups of branches determining the rate and direction of economic growth in the cycle of a separate production structure such as:

1. Basic branches connected with the manufacture of a «key» factor and elements directly relevant to it. These branches create necessary economic prerequisites for spread of corresponding technological innovations and at the same time, their own market depends on the spread rate of these innovations in other branches of economy.

2. Leading branches adapted in the best way to the effective use of the key factor. It is these branches that mainly form different investment possibilities (including the developing of corresponding infrastructure) and thus they guide the development of new production structures.

3. Supportive branches developing right after the leading ones and at the same time they supplement the general economic growth. These branches start to snowball at the expense of multiplication of reaction after the institutional structure of economy is brought to conformity with the changes in production struc-

ture.

Secondly, it is obviously impossible to fulfil a full scale modernization of domestic productive branches on the basis of the fifth and sixth production structures in short-term or even middle-term outlook. That is why for most branches it is necessary to use step-by-step modernization program of key assets on the basis of the fifth and sixth production structures within the framework of middle-term national programmes with gradual augmentation of specific weight of the sixth production structure in a branch structure of national economy.

Thus the achievement of high and stable rates of national economy's growth is connected with the development of qualitative technology characteristics, which provide country's competitiveness in the global space.

Certainly, cardinal technological improvements in Ukraine's economy are impossible without corresponding changes in institutional structure in general, which causes the state to set and solve a range of tasks new in their essence.

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ІННОВАЦІЙНІ СКЛАДОВІ СТРУКТУРНОГО РЕФОРМУВАННЯ НАЦІОНАЛЬНОЇ
ЕКОНОМІКИ УКРАЇНИ

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В статті розглянуто напрями структурної модернізації національної економіки України. Обґрунтовано необхідність активної інноваційної діяльності вітчизняних господарюючих суб'єктів як основи для структурних реформ в країні. Розглянуто стратегії та форми державної структурної політики.

Ключові слова: структурна політика, структурні реформи, інноваційна діяльність, економічне зростання, державне регулювання економіки.

ИННОВАЦИОННЫЕ СОСТАВЛЯЮЩИЕ СТРУКТУРНОГО РЕФОРМИРОВАНИЯ
НАЦИОНАЛЬНОЙ ЭКОНОМИКИ УКРАИНЫ

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В статье рассмотрены направления структурной модернизации национальной экономики Украины. Обоснована необходимость активной инновационной деятельности отечественных хозяйствующих субъектов в качестве основы для структурных реформ в стране. Рассмотрены стратегии и формы государственной структурной политики.

Ключевые слова: структурная политика, структурные реформы, инновационная деятельность, экономический рост, государственное регулирование экономики.

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